

Memorandum

TO: Andrew Murray and Pamela Howard
FROM: Joseph D. Calderon
DATE: December 4, 2015
RE: Ordinance 15-42, KRG Bridgewater, LLC - Bridgewater PUD Amendment

On Thursday evening, December 3, 2015, KRG Bridgewater, LLC hosted an informational meeting concerning its proposed PUD Amendment to allow for a discount store in excess of 10,000 square feet. The meeting took place in one of the empty tenant spaces at Bridgewater Marketplace beginning at approximately 6:00 p.m. and concluding at approximately 7:00 p.m. Ten interested parties showed up to the meeting and listened to a brief presentation by Joe Calderon, attorney for KRG Bridgewater, Mark Jenkins, Vice President of Development for KRG, and Dan Riley, the CFO of Goodwill Industries of Central Indiana, explaining the scope of the amendment, reasons for it, and some information concerning Goodwill's desire to locate at Bridgewater Marketplace, as well as its community mission.

The presentation stated explicitly that the proposal relates solely to space in the existing building in Bridgewater Marketplace, running from the north demising wall of the Los Toros restaurant to the existing north demising wall of The Local. There will be a donation drop-off and truck dock constructed as part of the proposed Goodwill store, off of the north end of the existing building. Bridgewater Marketplace suffers from significant vacancy, because the shopping center is located "off the corner", because it suffers from a poor depth to length ratio for tenant spaces, and because it has never had an anchor tenant. Kite believes that constructing a 14,000 square foot new building in one of the undeveloped areas closer to Gray Road and relocating some key tenants to the new building, including The Local, and having Goodwill to backfill the existing building, will be beneficial for the shopping center as a whole. Mr. Riley explained in part that it sees the proposed space as an opportunity to become a "Top 1/3" store in its portfolio of over 55 stores in the central Indiana region, and that the demographics are particularly positive from a donation center standpoint, which in turn drives positive retail. The retail supports the not for profit mission. The store will be opened from 9:00 a.m. to 9:00 p.m. Monday through Saturday and 11:00 a.m. to 7:00 p.m. on Sunday.

Several questions were raised regarding the fit of the Goodwill store in the overall area, including the shopping center and neighborhood. Mr. Jenkins replied that KRG faced a similar situation with its shopping center at 116th and Olio Road, and that following a Goodwill store opening in that center, leasing activity increased, and that there have been no tenant complaints.

There were questions concerning traffic flow and parking. KRG replied that they are not happy with some of the restricted access points on Gray Road and 146th Street, but that exists today and they have to manage access to the best of their ability. With respect to parking, the number of spaces meets all code requirements, and even though a few spaces will be lost to accommodate the truck dock and donation center addition, Kite will be making improvements to the truck loading area to the rear of the building. KRG has run an "autoturn" program to make sure that delivery trucks can maneuver safely behind the building.

One neighbor asked questions regarding background checks on proposed employees, in response to Mr. Riley's presentation that Goodwill does indeed hire some employees with developmental disabilities, and some employees have criminal backgrounds. Mr. Riley responded that background checks are made on all employees, and that there are no employees hired with a violent offense or sexual offense in their background. This particular store is projected to have one manager, two assistant managers and 20-25 other staff employees. The same neighbor asked KRG if there were any other options to backfill the existing building space besides Goodwill, and Mr. Jenkins responded that there was not. Mr. Jenkins further commented that KRG has the requisite experience and relationships with tenants, owning well over 100 shopping centers across the country and managing over 20 million square feet.

One question related to the proximity between the Bridgewater Marketplace location and the 116th and Olio shopping center to nearby residential. KRG replied that it is absolutely comparable, and showed an aerial photograph showing the proximity of residential to that center to the neighbor raising the question.

One neighbor commented about drop-off hours for donations. Mr. Riley responded that the donation center is open the same hours as the store, and that past history has driven Goodwill to increase the size of the "back room", where donations are processed, to avoid having outside storage of donated materials.

There was a question about the proposed size of the Goodwill and its desired prototype size. Mr. Riley responded that Goodwill's ideal store size is 15,600 square feet. This store will be about 14,600 square feet.

There was a question about the Bridgewater Marketplace location, citing that there were other Goodwill stores located in Westfield, on Carey Road and Greyhound Pass. Mr. Riley and Mr. Jenkins replied that this shopping center serves a different trade area, and Goodwill believes that the demographics are particularly advantageous to make for a successful store. A follow up question from the neighbor was whether or not Goodwill would close any other store in response to locating in Bridgewater Marketplace, and Mr. Riley replied that it would not close any other store.

There was a question about the trade area for the proposed store, and Mr. Riley responded that it anticipated the trade area would be between US 31 and Allisonville Road and in an area north to south in close proximity to 146th Street.

There was a question about the high end Goodwill stores, called Vintage Vogue. Mr. Riley responded that there were two open locations – one in Bloomington, and one in Broad Ripple with another getting ready to open on Virginia Avenue. These stores are much smaller and contain approximately 2,000 square feet.

There was a question about the percentage of space in the building that will be taken by Goodwill. At approximately 14,600 square feet, the percentage is more than 50% but less than 60% of the total square footage in the building.

There was a question regarding peak times of the store. Mr. Riley responded that it varies, but that the weekends were clearly the busiest times for the store. While evening traffic during the week is heavier than morning traffic, Mr. Riley stated that there are some loyal customers who understand Goodwill's merchandising and those customers are typically morning shoppers. December 31st is the busiest day of the year due to year end donations.

The final question related to next steps in the process, and Mr. Calderon responded that the Plan Commission public hearing would be December 7th, with an anticipated second meeting before the Plan Commission on December 21st and a City Council meeting on January 11th.

With there being no further questions, the meeting adjourned and KRG and its representatives thanked those in attendance.